

# **EXHIBIT B**

## KEY FRANCHISE DIFFERENTIATORS

JUST A FEW OF THE THINGS THAT MAKES THE CHRISTIAN BROTHERS FRANCHISE OPPORTUNITY DIFFERENT



## Our Mission Is Simple: Love Your Neighbor As Yourself

We understand that a guest's vehicle is an essential component to their everyday life connecting them to the places and people that matter most. We approach car repair services with a commitment to loving our neighbors. In doing so, we prioritize transparency and fairness, and offer reliable and honest service. From simple tune-ups to intensive diagnostics, repairs, and replacements, our network of Christian Brothers Automotive professionals is ready to get you back on the road as quickly and safely as possible.

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**"Love your neighbor as yourself." That's our mission with every customer we serve. Call your local shop today to learn more.**

### "Going Above and Beyond"

"I liked the customer service and going above and beyond to make sure I was comfortable while waiting in the store for my vehicle work to be done, specifically being offered a nice hot coffee with creamer."

— J.L.



[View All Testimonials](#)

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## About Christian Brothers Automotive

LOVE YOUR NEIGHBOR AS YOURSELF —MATTHEW 22:39

Since 1982, **Christian Brothers Automotive** has sought to change the way customers think about auto service by providing knowledgeable, honest, and genuine car repairs. Since that time, we have assisted countless individuals and families with their auto service needs and gotten them back on the road with as little hassle as possible.

### Our Guiding Idea: Love Your Neighbor as Yourself

No passage sums up our approach to customer service better than this one: "Love your neighbor as yourself." Even after more than 38 years of business in 30 states, this simple idea continues to guide our policies and practices. We don't just care about providing our clients with exemplary auto service once, we want to invest in the health of their vehicles and remain their auto service partner for many years to come. That's why we still approach auto repair work with transparency, integrity, and compassion.

### What Our Customers Say about Us

How has this commitment to above-and-beyond service been received by our customers? We survey our customer base regularly to see how we're doing and where we can improve.

**Here are the average customer service ratings for all our locations:**

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**Christian Brothers**

Automotive



transitioned to Franchise Performance Consultant where he assisted veteran Franchisees in an in-depth coaching role. In 2000, prior to joining Christian Brothers, Zach met the love of his life, Carley, at TBarM Camps. The two married in 2001, shortly before purchasing CBA Georgetown. Zach and Carley have been richly blessed with three children and reside in Katy, Texas. They love their church community where they are grateful to be able to serve in various roles. The two also enjoy spending time with the CBA family.

## Mark Carr, Founder and Retired CEO



Mark **founded Christian Brothers Automotive in 1982**. He began with one small store in Houston, Texas, and now, 30 years later, Mark continues to provide leadership and strategic direction. He had one simple but powerful mission for his company – love your neighbor as yourself. After 30 years, this principle remains the heart of every store, every franchisee and every employee. Mark loves hearing from satisfied customers and enjoys giving back in our communities. Throughout the company's growth to nearly 100 franchises, with every location still open, he still believes we are in this business to be a partner in auto care for customers. **Mark believes the success of the company and the success of franchisees will only continue through a strong connection to faith,**

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## Company History

### MORE THAN 38 YEARS OF TRUSTED AUTO SERVICE

In 1981, Mark Carr was working as a graphic arts salesman for a photographic mural company. He had just moved to Houston from upstate New York and was finding success in his role, but he was restless. He felt like he was built to be doing something different.

One night, feeling particularly discontent, Mark prayed and asked God to provide him a business. The very next day, while Mark was attending a Sunday school function through Spring Branch Bible Church, a gentleman from his class walked up, said that he was an automotive technician, and asked Mark to help him start an automotive repair shop.

The two men didn't know what to call their new venture. They were encouraged by their Sunday school class to call it Christian Brothers Automotive, as they were two brothers in Christ. So, in August 1982, Mark Carr and his partner opened a complete automotive repair facility in Mission Bend, Texas, a suburb of Houston, and founded Christian Brothers Automotive Corporation (CBAC).

## Forging a New Standard of Service

The business began with Mark as an offsite owner with his partner running the daily operations. After several years, Mark was convinced to buy out his partner and become full-time owner and operator. The business excelled under Mark's leadership—his customers appreciated

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the fact that he didn't have typical industry experience, so he related more closely to being a customer.

This was what led to two of Christian Brothers Automotive's clear value propositions to the customer:

- **HAVING THE OWNER OF THE BUSINESS ON SITE, BUILDING RELATIONSHIPS.**
- **ENSURING THAT THE OWNER CAN RELATE TO THE CUSTOMERS AND SERVE THEM THE WAY THE OWNER WOULD WANT TO BE SERVED.**

## Success

Christian Brothers Automotive thrived, and in 1994, a friend who saw Mark's success approached him about opening an automotive repair facility. Mark helped his friend locate and buy the property, hire the technicians and service manager, establish the vendor contacts, set up the parts department, select the equipment and inventory, and create accrual accounts for yearly expenses.

This business opened in 1996, and in a year it surpassed Mark's twelve-year-old location in annual gross revenue. Mark realized that his friend's business was out-performing his because of the fast track training, robust systems and procedures, and a demographically better location.

## Expansion

It was in this year, 1996, that Christian Brothers Automotive became a registered franchisor and started offering its franchise throughout Texas. Many of Christian Brothers' earliest franchisees arrived through Mark's Sunday school class at Spring Branch Bible Church. These families and their relatives opened the original seven Christian Brothers locations in Houston, Austin, and Dallas-Fort Worth.

The popularity continued to grow, and Mark added new people to the Christian Brothers team and the franchise family. Christian Brothers spread into Tennessee, Georgia, and Oklahoma, and by the end of 2001 it had seventeen locations. More friends, relatives, and customers were learning about the brand and wanting to be a part of the franchise movement, and in the next six years the brand grew into Alabama, Kansas, Mississippi, and Missouri, for a total of fifty locations. By this time, the home office too had built up a significant professional team, with eighteen people to serve, support, and lead the franchise family. As of 2019, Christian Brothers Automotive has opened over 200 locations across the United States.

## About Us

[About Our Store](#)

[Nice Difference Warranty](#)

[Car Tips](#)

[Why Choose Us](#)

[Blog](#)

[FAQs](#)

[Testimonials](#)

[Careers](#)

[Free Shuttle Service](#)

[Company History](#)

000217

MSJ-007



[Automotive Franchises | Christian Brothers Franchise](#)

<https://www.christianbrothersfranchise.com/>

Christian Brothers Auto Repair Franchise

## INSTILLING FAITH & PRINCIPLES IN AN INDUSTRY FEW TRUST

Because our Nice Difference® services makes it easier for car owners to drop off their car during the week, our franchisees are able to close their shops on Saturdays and Sundays, giving their employees the critical time they need to spend with their family and engage other pursuits beyond their commitment to Christian Brothers Automotive.

**Business-Focused Company Applying Strong  
Biblical Principles To The Auto Repair  
Industry**

It's not God over there and job over here. God is in everything.

"It's not God over there and job over here. God is in everything. I appreciate being able to go into a business where that is embraced."

Jade Stanford

This is something people love. That kind of heart, that kind of mindset, separates us from our competitors.

"Once a year, every fall, we do a single moms oil change day. We work with local churches to find people who need it. We don't advertise it or broadcast it to the masses. It's an awesome experience that our staff thoroughly enjoys. A lot of places, if you ask people who don't work weekends to come in and work Saturday, it would be like pulling teeth. But this is something people love. That kind of heart, that kind of mindset, separates us from our competitors. We don't advertise it

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[Christian Brothers | Auto Repair Franchise Review: Fellowship Among Franchisees, Mission Set Christian Brothers Apart - Christ \(christianbrothersfranchise.com\)](https://www.christianbrothersfranchise.com/about-us/news-blog/2013/september/auto-repair-franchise-review-fellowship-among-fr/)

<https://www.christianbrothersfranchise.com/about-us/news-blog/2013/september/auto-repair-franchise-review-fellowship-among-fr/>

# Auto Repair Franchise Review: Fellowship Among Franchisees, Mission Set Christian Brothers Apart

Sep 2, 2013

**THE FORMER BUDGET DIRECTOR FOR THE BILLION-DOLLAR HOUSTON SCHOOL SYSTEM SAYS THE AUTO REPAIR FRANCHISE'S SYSTEMS ARE STATE-OF-THE ART — BUT IT'S MISSION IS EVEN MORE SPECIAL**

Before Chip Fenner started one of the first Christian Brothers Automotive franchises, he was the budget director for the Houston Independent School District, managing a billion-dollar budget and trying to balance the needs of students and educators with demands from the community and school board. "People don't understand just how hard people in school systems work," he says. "I was tired of the bureaucracy and was ready to do something else."

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A friend from church told Chip that (Christian Brothers Automotive CEO) Mark Carr was beginning to franchise his auto repair business, and he should check it out. "I was thinking, 'there is no way I'm going to open some greasy, grimy car repair place.' "

Chip was right. He didn't buy a greasy, grimy repair shop. He bought a spotless, friendly, comfortable repair business — one with a great business model and plan for growth. "When I actually drove out to the Woodlands store and realized how different it was, I thought 'wow, this is something I'd be proud to do.' "

He's now owned that store in Houston for 15 years, and he added a second store five years ago. This is his story.



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**Who told you about about Christian Brothers?**

I found out about it through church. Mark and I go to church together at BridgePoint Bible Church, and as Mark's business became successful, and he started to grow, a lot of people paid attention. The first few years Christian Brothers was franchising, a lot of the growth came from people at the church who knew business, knew Mark and wanted to be involved. The pastor wasn't too happy, because people were moving to Atlanta, moving to Dallas, moving to Tennessee to open stores!

**What do you like about being a franchise owner?**

I like that I get to make my own decisions within the model. You have to do things that are consistent with the brand, but as a business owner you have flexibility. I like being in charge of running the shop and handling employees. If things go wrong, you can only look to yourself — and I like that. The business model is very good, and if you follow it correctly, you do well.

I also enjoy the people in the organization. I have a lot of great friends in the system who are good, godly men and women, and I enjoy getting together with them. Some of the ones here in town, we have a monthly golf get-together. We'll also get together for lunch sometimes. That's in addition to regional meetings that bring owners together.

**What sets Christian Brothers apart?**

We are followers of Christ, and we honor him by providing great service, and that sets the tone for who we are and what we do. We're not in-your-face about it. I give away free Bibles on my counter, but a lot of people, when they first walk in, they ask "Which one of you is named Christian?" Once they get to know us and see the way we treat

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them, they begin to understand. We are committed to service, not just to accomplish our business goals, but also because we feel like we're answering to our savior in everything that we do. When I'm dealing with a customer, I try to recognize Christ in them, and see Jesus standing there before me, which makes it clear how they should be treated. Another way to look at it is, how would you treat that customer if it was your mom, or aunt, or daughter, or grandfather? You'd take care of them the right way. That's what we do, and we trust God for the results.

**Apart from the spiritual aspect of the business, how does Christian Brothers stand out?**

It's a turnkey business that is smartly designed to help you succeed. If you follow the model, you will be successful. (Christian Brothers has never closed a location.) It's going to be hard work, but you will succeed.

It's important to be able to follow the system. There are certain types of people who want to start their own business from scratch and tinker to make it work. This isn't that. There is a framework for how to operate that you need to follow. There is a lot of wiggle room, but you have to run the business so that it's consistent with other Christian Brothers. The really nice thing is, there are so many other Christian Brothers who you can call for advice, who are out there working hard and boosting your reputation.

**Who is the right fit from a business perspective?**

I'm not going to flower up everything: Businesses are a risk. If it was easy, everybody would own one. You have to work hard, you have to go out and shake hands — you have to pay attention to all the pieces to make it work. If you're not good at follow

through, or if you're not patient, you should think twice. You're not always going to be rolling in money. It takes hard work and prayer to make this work. The good thing is that, if you ever run into trouble, you make a phone call and ask for an honest assessment of what's going on. A corporate coach or another franchisee can ask you "Have you done this? Have you done that? Are you making sure to call customers back?" There are a lot of little things that are easy to forget, and I like to visit other franchisees to get a refresher on what I should be doing and what they are having success with. Part of that is staying on top of changes in the way you can find business. When I started 15 years ago, Facebook and Twitter were non-existent. You have to stay on top of those things.

**How important is previous automotive experience for a Christian Brothers owner?**

It's not necessary at all. There's a quick learning curve on a lot of this stuff. At first I didn't know much about repairs. I'd be under the car looking up and learning from my technicians so I could explain what was wrong to my customers. That was helpful, because the customer is not an expert either, and it was easier for me to put the issue in layman's terms. You know, a customer doesn't need to know everything that goes into making a watch — they just need to know that one of the gears is bent and that's why the watch isn't working, and you need to replace it.

**What attracts customers to Christian Brothers?**

With the kind of people Christian Brothers accepts into the system, what we believe comes through to our customers. I enjoy talking to them about what's going on in their lives and getting to know them. We want long-term relationships with customers, and

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that starts by taking care of them and doing what makes the best sense for them. For instance, say they're planning to trade in their car in a week. Why change the brakes if there's 1,000 miles worth of life left in the pads? We'd tell them to skip it, and they are shocked by that kind of honesty.

**As the budget director for a billion-dollar school district, you had to master financial data. How do Christian Brothers' tools compare?**

I'm a CPA by trade, so the financial management comes easy to me. Everything Christian Brothers uses is state-of-the-art — top notch, quality stuff.

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We see a similar potential in [prospective franchisees](#) who share our same core values and are ready to do what it takes to carry forth the Christian Brothers Automotive brand. From the most basic questions to high-level business and finance concerns, our franchise support team and training program are there to transform our franchisees into auto repair franchise champions.

<https://www.christianbrothersfranchise.com/investment-information/franchise-qualifications/>

## Auto Repair Franchise Qualifications

### WHAT WE LOOK FOR IN POTENTIAL CHRISTIAN BROTHERS FRANCHISEES

Christian Brothers Automotive is proud to say that in our 40 years of operation, we have yet to close a single location. This success includes over 230 franchise locations, which continue to thrive in communities all over the country. We believe that the key to this remarkable success is because we have teamed up with franchisees who are passionate not about auto repair or car culture, but about making a positive impact in people's lives.

### What Are We Looking For?

You may think that to be a franchisee with Christian Brothers Automotive, it's essential that you have previous experience in the [automotive industry](#). That's not actually true. In fact, only about 10% of our franchise team members have been previously employed in the auto industry. Over the years, we have taken a much more comprehensive view of what we look for in our franchisees.

#### Just some of the key characteristics we're looking for:

- **We are looking for franchise team members who have made their faith a central part of their lives.** The teachings of Christ have informed how we do business for more than 40 years and we continue to take an approach towards customer service that honors his instruction to "love your neighbor as yourself."
- **We are looking for franchise team members who have strong leadership experience.** While auto industry experience isn't necessary, we do like to see that our franchisees have had success leading a team of fellow professionals somewhere in their career. Retail or customer service experience is also helpful.
- **We are looking for franchise team members who believe in giving back.** A sense of charity and concern for the well-being of others is essential to the Christian Brothers Automotive approach.
- **We are looking for franchise team members financially able to establish a franchise.** [The savings required](#) to start a Christian Brothers Automotive franchise



are low compared to the rest of the industry: just \$250,000 in net worth and \$85,000 in liquid assets.

- **We are looking for franchise team members who engage in their community.** Most (if not all) of our franchise locations contribute to their local community in some way beyond just providing auto services. Engaging in local events, fundraisers, other opportunities is critical to truly making your franchise a part of the neighborhood.
- **We are looking for franchise team members who are proactive.** The auto industry is constantly changing and presenting us new challenges. We take education and training seriously at Christian Brothers Automotive and consider every franchisee an investment and expect them to be concerned about staying at the forefront of the industry.

# Industry 84 Leading

System-wide Net Promoter Score (NPS)\*  
on a 100 to 100 scale

**In 2018**



We're not looking for perfect people, but rather people who are up to the challenge, invested in bettering the lives of others, and are ready to stay on top of this competitive industry.

**Does this sound like it could be you? Then we're ready to hear from you. [Contact](#) our team today to inquire about becoming a Christian Brothers Automotive franchisee.**

because we don't want to brag about it to the community. Half of the time when we do this, people stop by and ask if we're open Saturdays now, and we tell them no and explain what we're doing. And they really appreciate it. That's one of the things I love about this company."

Brad & Kasey Fink

## Christian Brothers Automotive Ownership Process

### OPENING YOUR OWN AUTO SERVICE FRANCHISE

Before you can open your new Christian Brothers Automotive franchise, we need to make sure this is a good fit for you and us. From start to finish, our franchisee approval process takes 4-6 weeks. That's why we've developed a Mutual Evaluation Process we call the Discovery Process to help us both learn more about each other and make an informed decision about your future before taking next steps.

#### **Step 1: Goals, Overview and Your Decision Criteria:**

Help us get to know you and what you are looking for while you gain a broad understanding of our opportunity.

#### **Step 2: Brand Review:**

Let's take a deep dive into the Christian Brothers and the Automotive Industry to see if we may be the right fit for you and your family.

#### **Step 3: Complete Request For Consideration:**

Let's take a deep dive into your candidacy to see if you may be the right fit for our family.

#### **Step 4: Territory Analysis:**

Walk with us through our Real Estate process and the specifics of your site or area.



## **Step 5: Business Review of Franchise Disclosure Document:**

Review with us a comprehensive guide to the innerworkings of the opportunity including financials.

## **Step 6: Attend Discovery Day:**

Join us for a two day event getting to know our team in person and experience our culture first hand.

## **Step 7: Final Validation:**

Let's wrap up final questions that you may have before becoming a Christian Brothers Automotive franchisee.

## **Step 8: Sign Acknowledgement & Receipt Letter + Make Initial Investment:**

Welcome to the family. We are excited to have you.

### TERRITORY AVAILABLE:

- **TEXAS**
  - Thank you for your interest in this territory. Unfortunately, we have limited availability in this territory. Contact us to request additional information for this area.

## **New Automotive Franchisee Training**

### **SETTING UP A CHRISTIAN BROTHERS FRANCHISE FOR SUCCESS**

At Christian Brothers Automotive, we see great value in prospective franchisees who have never worked in the automotive field before. Remember, when Mark Carr founded Christian Brothers Automotive in 1982, he wasn't a mechanic—he was a graphic arts salesman for a photographic mural company. Yet that "outsider" perspective allowed him to see the auto service industry from the inside out and lay the groundwork for an extraordinary customer service experience for our customers.

[Auto Repair Franchise Timeline to Open | Christian Brothers Automotive \(christianbrothersfranchise.com\)](https://www.christianbrothersfranchise.com/why-us/timeline-to-open/)

<https://www.christianbrothersfranchise.com/why-us/timeline-to-open/>

## How Long Will It Take?

At Christian Brothers Automotive, we don't buy existing auto repair facilities, change the sign, and call it a day. Instead, we carefully [select and purchase land](#), then design and build a facility that meets the standards we know will best serve our franchisee and future Christian Brothers Automotive customers. This process takes approximately 18-24 months. Our commitment to this process is critical to properly bringing the Christian Brothers Automotive brand to a new community. We've never closed any of our 230+ locations and believe that our diligence with this process is part of the reason why.

Brad Fink, our VP of Leadership and Development, puts it best: "The commercial real estate market is dynamic and competitive. Many different retail and commercial concepts are constantly vying for the best locations to place their businesses. We compete in this marketplace, but do not deviate from our site selection criteria which has served us well for more than 40 years. A few of those key criterion are: demographics, psychographics, property size, price, zoning, traffic counts, nearby synergy team members and many others as well."

Christian Brothers will work hard to negotiate the very best price and terms it can to afford us the opportunity to do proper due diligence, permitting processes with the city and finally build the highest quality building in automotive repair. This is part of what we are known for in the marketplace and will continue to make this a top priority in our new store development program."

Take a closer look at our timeline [here](#).



## Timeline to Finding the Perfect CBA Location

18-24 Months



### Franchise Awarded (15-24 Months before store opening)

Congratulations! You've made your initial investment and we are excited to welcome you to the CBA family. Here is where we will begin the selection for your Christian Brothers' location.

### Site Selection and Approval (1-3 Months)

Our in-house real estate team will research the local demographics, drive the main traffic arteries, locate dealers and primary competitors and conduct an aerial tour to see if the site meets CBA standards.

### Contract Negotiations (2-3 Months)

Christian Brothers' legal team negotiates the contract with the seller for the qualified site approved by the franchisee.

### Site Due Dilligence and Permitting (8 to 12 Months)

Christian Brothers reviews and conducts its formal due diligence process on the land and creates civil, architectural and building plans for the proposed site. Christian Brothers then works with the local government to secure necessary building permits and variances for our use.

### Construction (6 to 8 Months)

Once the building permit is secured the construction of your new Christian Brothers store begins! Towards the end of the build-out the city inspections will take place and finally a Certificate of Occupancy (C of O) will be awarded.

### Store Opening!

Congratulations, you have your C of O and your new Christian Brothers is open for business!

**WANT TO LEARN MORE? [CONTACT US BELOW](#) IF YOU'RE INTERESTED IN STARTING THE FRANCHISE PROCESS WITH OUR TEAM.**

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Christian Brothers  
Automotive



## Free Shuttle Services

### MAKING AUTO REPAIRS CONVENIENT & EASY

One of the biggest frustrations of leaving your car at the auto repair shop is that it leaves you feeling stranded. At Christian Brothers Automotive, we understand you have a full schedule. Whether you need to get to work, school, or need to attend to other responsibilities, we can take you where you need to go. If your car requires repairs that will take longer than a day, we are happy to transport you to your destination. We'll even pick you up when your car is ready!

While we try to keep our offices as comfortable as possible, with complimentary beverages and free Wi-Fi, we understand you have errands to run and meetings to attend. If the location is within the designated distance, we will be glad to provide alternate transportation.

**For auto repairs made easy and convenient, call (832) 742-6377.**

### EXPERIENCE OUR "NICE DIFFERENCE"®

Car repairs have become synonymous with aggressive mechanics, cramped lounges, and waiting in discomfort. At Christian Brothers Automotive, we actively dispel such stereotypes by providing quality auto services that are reliable, fast, and convenient. Our business is grounded in what Matthew 22:39 says – "Love your neighbor as yourself." We treat customers with the utmost respect and courtesy, ensuring their time with us is comfortable and efficient.

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[Learn More](#)

## Join The Winning Team

Request more information and find out if Christian Brothers is the best fit for what you're looking for in a business.

### Get Started By Downloading our FREE Franchise Info Report

☒ **Yes, I would like to be  
contacted via text.**



I'm not a robot



reCAPTCHA  
Privacy - Terms



2/18/22, 9:43 AM


Mail - Brad Fink - Outlook

[Ext] New Contact Form Submitted on christianbrothersfranchise.com

Scorpion Elite Marketing Team <e@scorpioncontact.com>

Mon 9/28/2020 11:56 PM

To: christianbrothers@frmclients.com <christianbrothers@frmclients.com>; Kendall Troncoso <kendall.troncoso@cbac.com>; Joshua Barker <josh.barker@cbac.com>; Brad Fink <brad.fink@cbac.com>

 [Scorpion - Building A Better Way.](#)

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# New Lead

**Hi Christian Brothers Automotive Corporation - Franchise  
Development,**

You have a new lead!

[Reply](#)[Print](#)

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## Lead Information

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**First Name:** Evan

**Last Name:** Domanic

**Email Address:** Evan@Gunstronginc.com

**Phone:** (512) 360-8447

**Text Program:**

**Gasource:**


2/18/22, 11:13 AM


Email: Christian Brothers Automotive Brand Review

**Email****Christian Brothers Automotiv...**


Actual End 10/21/2020

**Email**

**From**  **Brandon Thomas** **Cc**

**To**  **Evan Domanic** **Bcc**

**Subject** Christian Brothers Automotive Brand Review

**Regarding**  **Evan Domanic**

Evan,

It was a pleasure speaking with you and learning more about your interest in Christian Brothers Automotive. I am excited to be moving forward in this process with you and getting to know you better.

During our next call, we will do a **"Brand Review"** where I hope to explain who we are and what we do that makes us such a unique and successful company and continue to discuss how you might fit within this brand.

Please review this brand presentation and we will review and discuss on our next call.


Also, Down below is a link to put in your search bar. It is the "Mark Carr Story" and good watch!  
<https://vimeo.com/67138489><https://vimeo.com/67138489>

I would also like to invite you to join one of our **Validation Calls** held every week on Thursdays. The purpose of these conference calls is for you to hear from someone from our Leadership Team or Franchisee network while giving you the opportunity to have a Q&A.

Thank you again for your interest in CBA and I'm looking forward to walking alongside you during this Discovery Process,

Brandon Thomas

**Attachments**

 Attachments Activity Attachment Associated View		
File Name	File Size (Bytes)	
<a href="#">CBA Brand Review Final.pdf</a>	3,189,162	
1 - 1 of 1 (0 selected)		Page 1

**Analytics**

**Delivered** 1 **Opens** 10 **Clicks**

**Bounces** **Dropped** **Spam Reports**

**Details****Actual End** 10/21/2020





# COMPANY HISTORY

MORE THAN 34 YEARS OF TRUSTED AUTO SERVICE

Christian Brothers Automotive was founded in 1982 when founder and CEO Mark Carr recognized a clear void in the car repair industry: honest, trustworthy and transparent relationships with customers. Our founding principle comes from Matthew 22:39, to “love your neighbor as yourself.” To CBA, this means our focus is serving our customers and our communities. From the first location, our model has been put to the test and proven through over 200 locations in 30 states.



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Page:2

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# OUR JOURNEY SO FAR

**1982**

The birth of  
Christian Brothers  
Automotive

**1994**

Mark assisted a friend in  
establishing his own Automotive  
Shop based on what he learned

**1996**

Christian Brothers  
Automotive became a  
registered franchisor

**2001**

CBAC outgrew Texas and began moving  
into: AL, KS, MS, MI for a total of 50  
locations. CBAC Corporate office also built  
an 18 person strong support system to lead  
the franchise family

**2012**

Christian Brothers Automotive  
celebrated 30 years of business and  
opened store number 100  
(in New Braunfels, TX)

**2019**

CB2.0 initiates the redesign  
of the foot print of our  
company to better serve  
our growing customer base  
going forward

**2015**

Christian Brothers has opened more  
than 150 locations in 19 states

**2018**

200 Owner-operated stores opened  
in over 30 states

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# KEY FRANCHISE DIFFERENTIATORS

JUST A FEW OF THE THINGS THAT MAKES THE CHRISTIAN BROTHERS FRANCHISE OPPORTUNITY DIFFERENT



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Page:4

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# COMMUNITY IMPACT

GIVING BACK IS AT THE FOUNDATION OF WHY WE DO WHAT WE DO

Christian Brothers loves to give back. In 2018, the Christian Brothers Foundation gave away \$2,066,206. That's a lot of lives that we were able to impact as a company. The Christian Brothers Automotive Foundation is focused on maximizing spiritual impact and furthering the Christian Brothers Automotive Mission of 'loving your neighbor as yourself'. The Christian Brothers Foundation is uniquely positioned to give our talent, time & treasure to share the Good News of Jesus Christ.



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Page:5

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# INDUSTRY SCOPE AND SIZE

\*United States focus with data from the IHS, NADA, ASA, AAPEX, etc.

## US Fleet Size

260 million light vehicles

## Average Age of Vehicles

11.5 years old

## Average Vehicle Age Increase

Risen 17%+ in the past decade

## Percent of Vehicles 16+ Years Old

- 22% - 58 million light vehicles
- Up from 24 million in 2002

## New Vehicle Sales

Averaged - 17.3 million new units in the past 4 years

## Increased Focus on Larger Vehicles

- Light trucks
- SUVs

## Number of Car Repair Centers

- Greater than 225,000

## Number of Car Dealerships

- 16,500+ franchised dealers
- 20,000+ independent dealers

## Average Repair Order

\$387

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Page:7

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MSJ-031



# KEY DIFFERENTIATORS

JUST A FEW OF THE THINGS THAT MAKES THE CHRISTIAN BROTHERS EXPERIENCE DIFFERENT



## Nice Difference #1

Technology



## Nice Difference #2

Industry leading warranty



## Nice Difference #3

Unique customer service  
experience



## Nice Difference #4

CB2.0  
App • Subscription Service  
Point of sale • Pick Up and Delivery

DOM00028

DOM00028

# CHRISTIAN BROTHERS AUTOMOTIVE FRANCHISE

To glorify God by providing ethical and excellent automotive repair service for our customers



# ACCOLADES

JUST A FEW THINGS THAT WE'RE PROUD OF



DOM00030

Page:10

Copyright Christian Brothers Automotive 2019

DOM00030



MSJ-034





# #1 Customer Satisfaction

## for Aftermarket General Maintenance by J.D. Power

Tied in 2019. For J.D. Power 2019 award Information, visit [jdpower.com/awards](http://jdpower.com/awards)

DOM00031

DOM00031

2/18/22, 11:15 AM


Email: CBA Request For Consideration


**Email**

# CBA Request For Consideration


Actual End 10/27/2020

**Email**

**From**  [Brandon Thomas](#) **Cc**

**To**  [Evan Domanic](#) **Bcc**

**Subject** CBA Request For Consideration

**Regarding**  [Evan Domanic](#)

Evan,

Thank you for taking the time to speak with me today. I hope I was able to address some of your questions about our opportunity here. I am sure more will come to mind as we further explore what Christian Brothers has to offer.

I am excited to be taking a step forward in our 8 step Discovery Process. That next step is having you submit your **Request For Consideration**. As a reminder, submitting this request for consideration does not obligate you to purchase a franchise, but it does keep you moving through our process.

Attached is the Request for Consideration for you to complete.


In addition to filling out the RFC, please send me a copy of your **resume**.

I look forward to our call and learning more about you and your background. Please reach out and let me know if you have any questions or concerns.

Thanks,

Brandon Thomas

**Attachments**

 Attachments Activity Attachment Associated View		
File Name	File Size (Bytes)	
<a href="#">RFC Form Template - Editable WORD version- 2020v1.docx</a>	51,303	
1 - 1 of 1 (0 selected)		Page 1

**Analytics**

**Delivered** 1 **Opens** 6 **Clicks**

**Bounces** **Dropped** **Spam Reports**

**Details**

**Actual End** 10/27/2020

**Owner**  [Brandon Thomas](#) **Priority** Normal



## Request For Consideration

### Full Name

Spouse's Name:

Current Business or Occupation:

Location Preference:

Today's Date:

### Personal Information

**Marital Status:**

**Spouse's Name (If Applicable):**

**List Dependents (Names, Ages):**

**Current Address:**

**Own Home?:**

**How Long at Current Address?:**

**Languages Spoken Fluently:**

**Military Service?:**

**Years in Service:**

**Branch of Service:**

**Rate or Rank:**

**Type of Discharge or Current Status:**

**Have you ever been convicted of a felony or misdemeanor?:**

**If yes, explain:**

**Have you ever been involved in bankruptcy?:**

**If yes, explain:**

**Do you have contingent liabilities?:**

**If yes, explain:**

**Do you have a will?:**

**If yes, who is your executor?:**

### Educational Background

**High School Name:**

**Graduation Year:**

**College / University Name:**

**Degree:**

**Major:**

**Graduation Year:**

**Graduate School Name:**

**Degree:**

**Graduation Year:**





&lt;&lt;Timestamp&gt;&gt;

&lt;&lt;Increment&gt;&gt;

**Special Awards / Honors:**

### **Professional Experience**

**Current Business or Occupation:**

**Spouse's Current Business or**

**Occupation: Business Address:**

**Business Phone:**

**Type of Business:**

**Employer:**

**Position:**

**From:**

**To:**

**Applicant Salary:**

**Bonus &**

**Commissions:**

**Dividends / Bonds:**

**Real Estate Income:**

**Other Income :**

**Total Annual Income:**

**Last Business or Occupation :**

**From:**

**To:**

**Reason For Leaving:**

**Previous Business or Occupation:**

**From:**

**To:**

**Reason For Leaving:**

**Previous Business or Occupation:**

**From:**

**To:**

**Reason For Leaving:**

**Previous Business or Occupation:**

**From:**

**To:**

**Reason For Leaving:**

### **Personal Financial Statement**

**Cash in Bank:**

**US Government Securities:**

**Listed Stocks & Bonds:**

**Unlisted Stocks & Bonds:**

**Accounts & Loans Receivable:**



&lt;&lt;Timestamp&gt;&gt;

&lt;&lt;Increment&gt;&gt;

Life Insurance - Cash Value:

Real Estate (Market Value):

Automobiles (Market Value):

Other Assets:

Other Assets #2:

Other Assets #3:

Total Solely Owned Assets:

Notes Payable to Banks, Unsecured:

Notes Payable to Banks, Secured:

Notes Payable to Others,

Unsecured: Notes Payable to

Others, Secured: Notes Receivable,

Discounted: Loans on

Life-Insurance:

Mortgages or Liens on Real Estate:

Accounts Payable:

Interest Payable:

Taxes & Assessments Payable:

Other Liabilities:

Total Liabilities:

Net Worth (Total Solely Owned Assets minus Liabilities):

### **Qualifications & Skills**

How did you first learn about Christian Brothers Automotive?:

What prompted your inquiry into Christian Brothers Automotive?:

Why are you interested in owning and operating a Christian Brothers Automotive Franchise?:

Briefly describe your qualifications to own and operate a Christian Brothers Automotive Franchise:

Do you have any management experience that you feel would translate well to owning your own business? If so, please elaborate.:



&lt;&lt;Timestamp&gt;&gt;

&lt;&lt;Increment&gt;&gt;

What does the Christian Brothers Automotive Mission Statement - "We seek to glorify God by providing ethical and excellent automotive repair service for our customers" - mean to you personally?:

What traits and skills, in your opinion characterize a successful business owner?:

5 years after you start your new business what would you like your total annual owner return to be? Why?:

What does successful wealth building look like to you and what are your plans to accomplish that?:

How would you like to change or improve your work/life balance by owning a business? Why?:

What are your plans to get involved with your community and to make an impact with this business? :

What would you hope to achieve after 10 years of operating your business? Why?:

### Location Preference

Location Preference #1:

Location Preference #2:

Location Preference #3:

I plan to operate as a:




2/18/22, 11:16 AM


Email: CBA Funding Process and Territory Analysis

**Email****CBA Funding Process and Terr...**


Actual End 11/5/2020

**Email**

**From**  [Brandon Thomas](#) **Cc**

**To**  [Evan Domanic](#) **Bcc**

**Subject** CBA Funding Process and Territory Analysis

**Regarding**  [Evan Domanic](#)

Evan,

As we discussed on our last call, the next step in our Discovery Process is to discuss the **Funding Process & Territory Analysis**. The purpose of this step is for you to familiarize yourself with the opportunity in each Trade Area you are interested in.


Additionally, we want to begin taking the first steps of the **Funding Process** and discussing the financial requirements to purchase a CBA Franchise. Please review, fill out, sign and email back to me the following documents as soon as possible:

- **Background/Credit Check Form**
- **Personal Financial Statement Form**
- **FCRA Disclosure**
- **Summary of Rights**

If you have any questions, please don't hesitate to reach out. I look forward to our next call.

Brandon Thomas

**Attachments**

 Attachments Activity Attachment Associated View	
File Name	File Size (Bytes)
<a href="#">Background-Check-Form.pdf</a>	66,726
<a href="#">FCRA-Disclosure.pdf</a>	82,806
<a href="#">SBA_Personal_Financial_Statement_Form.pdf</a>	186,084
<a href="#">Summary-of-Rights-Christain-Brothers-Automotive.pdf</a>	186,561
1 - 4 of 4 (0 selected) <span style="float: right;">Page 1</span>	

**Analytics**

**Delivered** 1 **Opens** 1 **Clicks**

**Bounces** **Dropped** **Spam Reports**

**Details**

**Actual End** 11/5/2020

[https://christianbrothers.frmsolutions.com/\\_forms/print/print.aspx?allsubgridpages=false&formid=394ca387-4777-457c-b5ae-c7a3e632be41&id=%7b...](https://christianbrothers.frmsolutions.com/_forms/print/print.aspx?allsubgridpages=false&formid=394ca387-4777-457c-b5ae-c7a3e632be41&id=%7b...) 1/2

2/18/22, 11:16 AM

Email: CBA Funding Process and Territory Analysis

<b>Owner</b>	 Brandon Thomas	<b>Priority</b>	Normal
<b>Duration</b>	30 minutes	<b>Category</b>	
<b>Due</b>		<b>Sub-Category</b>	



## Request for Background Check

Account #006479

Social Security Number

			—			—				
--	--	--	---	--	--	---	--	--	--	--

Date of Birth - used for identification purposes only

		—			—				
MONTH			DATE			YEAR			

First Name

Middle Name

Last Name

Other Names Used (maiden name, AKA names, etc.)

Current Residential Address

City

State

Zip Code

List each CITY, STATE and ZIP CODE (if known) where you have lived during the past seven years:

City	State	Zip Code	From Date	To Date	
					[ ]
					[ ]
					[ ]
					[ ]
					[ ]

City	State	Zip Code	From Date	To Date	
					[ ]
					[ ]
					[ ]
					[ ]
					[ ]

Driver's License Number

State of Issue

000258

MSJ-043



**FCRA DISCLOSURE AND ACKNOWLEDGMENT**  
**IMPORTANT -- PLEASE READ CAREFULLY BEFORE SIGNING AUTHORIZATION**

**DISCLOSURE REGARDING BACKGROUND INVESTIGATION**

**Christian Brothers Automotive Corporation - Franchisees** ("the Company") may obtain information about you for a legitimate business need in connection with a franchise-related business transaction that is initiated by you from a third party consumer reporting agency. Thus, you may be the subject of a "consumer report" and/or an "investigative consumer report" which may include information about your criminal history, social security verification, motor vehicle records ("driving records"), or other background checks. You have the right, upon written request made within a reasonable time, to request whether a consumer report has been run about you, and disclosure of the nature and scope of any investigative consumer report, and to request a copy of your report.

The report may be generated by **Universal Background Screening (Post Office Box 5920 Scottsdale, AZ 85261, 1-877-263-8033, [www.universalbackground.com](http://www.universalbackground.com))** or another outside organization. The scope of this notice and authorization is all-encompassing, however, allowing the Company to obtain from any outside organization all manner of consumer reports and investigative consumer reports. As a result, you should carefully consider whether to exercise your right to request disclosure of the nature and scope of any investigative consumer report.

**New York and Maine applicants or employees only:** You have the right to inspect and receive a copy of any investigative consumer report requested by the Company by contacting the consumer reporting agency identified above directly. You may also contact the Company to request the name, address and telephone number of the nearest unit of the consumer reporting agency designated to handle inquiries, which the Company shall provide within 5 days.

**New York applicants or employees only:** Upon request, you will be informed whether or not a consumer report was requested by the Company, and if such report was requested, informed of the name and address of the consumer reporting agency that furnished the report. By signing below, you also acknowledge receipt of Article 23-A of the New York Correction Law.

**Oregon applicants or employees only:** Information describing your rights under federal and Oregon law regarding consumer identity theft protection, the storage and disposal of your credit information, and remedies available should you suspect or find that the Company has not maintained secured records is available to you upon request.

**Washington State applicants or employees only:** You also have the right to request from the consumer reporting agency a written summary of your rights and remedies under the Washington Fair Credit Reporting Act.

**ACKNOWLEDGMENT AND AUTHORIZATION**

I acknowledge receipt of the DISCLOSURE REGARDING BACKGROUND INVESTIGATION (above) and A SUMMARY OF YOUR RIGHTS UNDER THE FAIR CREDIT REPORTING ACT (separate document) and certify that I have read and understand both of those documents. I hereby authorize the obtaining of "consumer reports" and/or "investigative consumer reports" by the Company at any time after receipt of this authorization, if applicable. To this end, I hereby authorize, without reservation, any law enforcement agency, administrator, state or federal agency, institution, school or university (public or private), information service bureau, employer, or insurance company to furnish any and all background information requested by **Universal Background Screening**, another outside organization acting on behalf of the Company, and/or the Company itself. I agree that a facsimile ("fax"), electronic or photographic copy of this Authorization shall be as valid as the original.

**New York applicants or employees only:** By signing below, you also acknowledge receipt of Article 23-A of the New York Correction Law.

**Minnesota and Oklahoma applicants or employees only:** Please check this box if you would like to receive a copy of a consumer report if one is obtained by the Company. ☐

**California applicants or employees only:** By signing below, you also acknowledge receipt of the NOTICE REGARDING BACKGROUND INVESTIGATION PURSUANT TO CALIFORNIA LAW. Please check this box if you would like to receive a copy of an investigative consumer report or consumer credit report at no charge if one is obtained by the Company whenever you have a right to receive such a copy under California law. ☐

Signature

Date

Full Name (First/Middle/Last)

Social Security Number (SSN)\*

Driver License State / Number

Date of Birth\*

\*SSN and DOB will be used for identification purposes and will not be used as hiring criteria.

FCRA:FRANCHISEE:006479:20121119

000260

MSJ-045



OMB APPROVAL NO.: 3245-0188  
EXPIRATION DATE: 01/31/2018

**PERSONAL FINANCIAL STATEMENT**  
**7(a) / 504 LOANS AND SURETY BONDS**

U.S. SMALL BUSINESS ADMINISTRATION

As of \_\_\_\_\_, \_\_\_\_\_

SBA uses the information required by this Form 413 as one of a number of data sources in analyzing the repayment ability and creditworthiness of an application for an SBA guaranteed 7(a) or 504 loan or a guaranteed surety.

Complete this form for: (1) each proprietor; (2) general partner; (3) managing member of a limited liability company (LLC); (4) each owner of 20% or more of the equity of the Applicant (including the assets of the owner's spouse and any minor children); and (5) any person providing a guaranty on the loan

Return completed form to:

For 7(a) loans: the lender processing the application for SBA guaranty

For 504 loans: the Certified Development Company (CDC) processing the application for SBA guaranty

For Surety Bonds: the Surety Company or Agent processing the application for surety bond guaranty

Name

Business Phone

Home Address

Home Phone

City, State, & Zip Code

Business Name of Applicant

ASSETS	(Omit Cents)	LIABILITIES	(Omit Cents)
Cash on Hand & in banks.....	\$ _____	Accounts Payable.....	\$ _____
Savings Accounts.....	\$ _____	Notes Payable to Banks and Others.....	\$ _____
IRA or Other Retirement Account.....	\$ _____	(Describe in Section 2)	
(Describe in Section 5)		Installment Account (Auto).....	\$ _____
Accounts & Notes Receivable.....	\$ _____	Mo. Payments \$ _____	
(Describe in Section 5)		Installment Account (Other).....	\$ _____
Life Insurance – Cash Surrender Value Only.....	\$ _____	Mo. Payments \$ _____	
(Describe in Section 8)		Loan(s) Against Life Insurance.....	\$ _____
Stocks and Bonds.....	\$ _____	Mortgages on Real Estate.....	\$ _____
(Describe in Section 3)		(Describe in Section 4)	
Real Estate.....	\$ _____	Unpaid Taxes.....	\$ _____
(Describe in Section 4)		(Describe in Section 6)	
Automobiles.....	\$ _____	Other Liabilities.....	\$ _____
(Describe in Section 5, and include		(Describe in Section 7)	
Year/Make/Model)		Total Liabilities.....	\$ 0
Other Personal Property.....	\$ _____	Net Worth.....	\$ 0
(Describe in Section 5)			
Other Assets.....	\$ _____		
(Describe in Section 5)			
<b>Total Assets</b>	<b>\$ 0</b>		

**Section 1. Source of Income.**

**Contingent Liabilities**

Salary.....	\$ _____	As Endorser or Co-Maker.....	\$ _____
Net Investment Income.....	\$ _____	Legal Claims & Judgments.....	\$ _____
Real Estate Income.....	\$ _____	Provision for Federal Income Tax.....	\$ _____
Other Income (Describe below)*.....	\$ _____	Other Special Debt.....	\$ _____

**Description of Other Income in Section 1.**


\*Alimony or child support payments should not be disclosed in "Other Income" unless it is desired to have such payments counted toward total income.



**Section 2. Notes Payable to Banks and Others.** (Use attachments if necessary. Each attachment must be identified as part of this statement and signed.)

Names and Addresses of Noteholder(s)	Original Balance	Current Balance	Payment Amount	Frequency (monthly, etc.)	How Secured or Endorsed Type of Collateral

**Section 3. Stocks and Bonds.** (Use attachments if necessary. Each attachment must be identified as part of this statement and signed.)

Number of Shares	Name of Securities	Cost	Market Value Quotation/Exchange	Date of Quotation/Exchange	Total Value

**Section 4. Real Estate Owned.** (List each parcel separately. Use attachment if necessary. Each attachment must be identified as a part of this statement and signed.)

	Property A	Property B	Property C
Type of Real Estate (e.g. Primary Residence, Other Residence, Rental Property, Land, etc.)			
Address			
Date Purchased			
Original Cost			
Present Market Value			
Name & Address of Mortgage Holder			
Mortgage Account Number			
Mortgage Balance			
Amount of Payment per Month/Year			
Status of Mortgage			

**Section 5. Other Personal Property and Other Assets.** (Describe, and, if any is pledged as security, state name and address of lien holder, amount of lien, terms of payment and, if delinquent, describe delinquency.)**Section 6. Unpaid Taxes.** (Describe in detail as to type, to whom payable, when due, amount, and to what property, if any, a tax lien attaches.)**Section 7. Other Liabilities.** (Describe in detail.)

**Section 8. Life Insurance Held.** (Give face amount and cash surrender value of policies – name of insurance company and Beneficiaries.)

I authorize the SBA/Lender/Surety Company to make inquiries as necessary to verify the accuracy of the statements made and to determine my creditworthiness.

**CERTIFICATION:** (to be completed by each person submitting the information requested on this form)

By signing this form, I certify under penalty of criminal prosecution that all information on this form and any additional supporting information submitted with this form is true and complete to the best of my knowledge. I understand that SBA or its participating Lenders or Certified Development Companies or Surety Companies will rely on this information when making decisions regarding an application for a loan or a surety bond. I further certify that I have read the attached statements required by law and executive order.

Signature \_\_\_\_\_

Date \_\_\_\_\_

Print Name \_\_\_\_\_

Social Security No. \_\_\_\_\_

Signature \_\_\_\_\_

Date \_\_\_\_\_

Print Name \_\_\_\_\_

Social Security No. \_\_\_\_\_

**NOTICE TO LOAN AND SURETY BOND APPLICANTS: CRIMINAL PENALTIES AND ADMINISTRATIVE REMEDIES FOR FALSE STATEMENTS:**

Knowingly making a false statement on this form is a violation of Federal law and could result in criminal prosecution, significant civil penalties, and a denial of your loan or surety bond application. A false statement is punishable under 18 U.S.C. §§ 1001 and 3571 by imprisonment of not more than five years and/or a fine of up to \$250,000; under 15 U.S.C. § 645 by imprisonment of not more than two years and/or a fine of not more than \$5,000; and, if submitted to a Federally-insured institution, a false statement is punishable under 18 U.S.C. § 1014 by imprisonment of not more than thirty years and/or a fine of not more than \$1,000,000. Additionally, false statements can lead to treble damages and civil penalties under the False Claims Act, 31 U.S.C. § 3729, and other administrative remedies including suspension and debarment.

PLEASE NOTE: The estimated average burden hours for the completion of this form is 1.5 hours per response. If you have questions or comments concerning this estimate or any other aspect of this information, please contact Chief, Administrative Branch, U.S. Small Business Administration, Washington, D.C. 20416, and Clearance officer, paper Reduction Project (3245-0188), Office of Management and Budget, Washington, D.C. 20503. PLEASE DO NOT SEND FORMS TO OMB.

**PLEASE READ, DETACH, AND RETAIN FOR YOUR RECORDS****STATEMENTS REQUIRED BY LAW AND EXECUTIVE ORDER**

SBA is required to withhold or limit financial assistance, to impose special conditions on approved loans, to provide special notices to applicants or borrowers and to require special reports and data from borrowers in order to comply with legislation passed by the Congress and Executive Orders issued by the President and by the provisions of various inter-agency agreements. SBA has issued regulations and procedures that implement these laws and executive orders. These are contained in Parts 112, 113, and 117 of Title 13 of the Code of Federal Regulations and in Standard Operating Procedures.

**Privacy Act (5 U.S.C. 552a)**

Any person can request to see or get copies of any personal information that SBA has in his or her file when that file is retrieved by individual identifiers such as name or social security numbers. Requests for information about another party may be denied unless SBA has the written permission of the individual to release the information to the requestor or unless the information is subject to disclosure under the Freedom of Information Act.

Under the provisions of the Privacy Act, you are not required to provide your social security number. Failure to provide your social security number may not affect any right, benefit or privilege to which you are entitled. Disclosures of name and other personal identifiers are, however, required for a benefit, as SBA requires an individual seeking assistance from SBA to provide it with sufficient information for it to make a character determination. In determining whether an individual is of good character, SBA considers the person's integrity, candor, and disposition toward criminal actions. Additionally, SBA is specifically authorized to verify your criminal history, or lack thereof, pursuant to section 7(a)(1)(B), 15 USC Section 636(a)(1)(B) of the Small Business Act (the Act). Further, for all forms of assistance, SBA is authorized to make all investigations necessary to ensure that a person has not engaged in acts that violate or will violate the Act or the Small Business Investment Act, 15 USC Sections 634(b)(11) and 687(b)(a), respectively. For these purposes, you are asked to voluntarily provide your social security number to assist SBA in making a character determination and to distinguish you from other individuals with the same or similar name or other personal identifier.

The Privacy Act authorizes SBA to make certain "routine uses" of information protected by that Act. One such routine use is the disclosure of information maintained in SBA's investigative files system of records when this information indicates a violation or potential violation of law, whether civil, criminal, or administrative in nature. Specifically, SBA may refer the information to the appropriate agency, whether Federal, State, local or foreign, charged with responsibility for, or otherwise involved in investigation, prosecution, enforcement or prevention of such violations. Another routine use is disclosure to other Federal agencies conducting background checks; only to the extent the information is relevant to the requesting agencies' function. See, 74 F.R. 14890 (2009), and as amended from time to time for additional background and other routine uses.

**Right to Financial Privacy Act of 1978 (12 U.S.C. 3401)** -- This is notice to you as required by the Right to Financial Privacy Act of 1978, of SBA's access rights to financial records held by financial institutions that are or have been doing business with you or your business, including any financial institutions participating in a loan or loan guaranty. The law provides that SBA shall have a right of access to your financial records in connection with its consideration or administration of assistance to you in the form of a Government guaranteed loan. SBA is required to provide a certificate of its compliance with the Act to a financial institution in connection with its first request for access to your financial records, after which no further certification is required for subsequent accesses. The law also provides that SBA's access rights continue for the term of any approved loan guaranty agreement. No further notice to you of SBA's access rights is required during the term of any such agreement. The law also authorizes SBA to transfer to another Government authority any financial records included in a application for a loan, or concerning an approved loan or loan guarantee, as necessary to process, service or foreclose on a loan guaranty or collect on a defaulted loan guaranty.

**Freedom of Information Act (5 U.S.C. 552)**

This law provides, with some exceptions, that SBA must supply information reflected in agency files and records to a person requesting it. Information about approved loans that will be automatically released includes, among other things, statistics on our loan programs (individual borrowers are not identified in the statistics) and other information such as the names of the borrowers (and their officers, directors, stockholders or partners), the collateral pledged to secure the loan, the amount of the loan, its purpose in general terms and the maturity. Proprietary data on a borrower would not routinely be made available to third parties. All requests under this Act are to be addressed to the nearest SBA office and be identified as a Freedom of Information request.

**Flood Disaster Protection Act (42 U.S.C. 4011)** -- Regulations have been issued by the Federal Insurance Administration (FIA) and by SBA implementing this Act and its amendments. These regulations prohibit SBA from making certain loans in an FIA designated floodplain unless Federal Flood insurance is purchased as a condition of the loan. Failure to maintain the required level of flood insurance makes the applicant ineligible for any financial assistance from SBA, including disaster assistance.



**Executive Orders -- Floodplain Management and Wetland Protection (42 F.R. 26951 and 42 F.R. 26961)** -- SBA discourages settlement in or development of a floodplain or a wetland. This statement is to notify all SBA loan applicants that such actions are hazardous to both life and property and should be avoided. The additional cost of flood preventive construction must be considered in addition to the possible loss of all assets and investments due to a future flood.

**Occupational Safety and Health Act (15 U.S.C. 651 et seq.)** -- This legislation authorizes the Occupational Safety and Health Administration in the Department of Labor to require businesses to modify facilities and procedures to protect employees or pay penalty fees. Businesses can be forced to cease operations or be prevented from starting operations in a new facility. Therefore, SBA may require additional information from an applicant to determine whether the business will be in compliance with OSHA regulations and allowed to operate its facility after the loan is approved and disbursed. Signing this form as an applicant is certification that the OSHA requirements that apply to the applicant business have been determined and that the applicant, to the best of its knowledge, is in compliance. Furthermore, applicant certifies that it will remain in compliance during the life of the loan.

**Civil Rights Legislation** -- All businesses receiving SBA financial assistance must agree not to discriminate in any business practice, including employment practices and services to the public on the basis of categories cited in 13 C.F.R., Parts 112, 113, and 117 of SBA Regulations. This includes making their goods and services available to handicapped clients or customers. All business borrowers will be required to display the "Equal Employment Opportunity Poster" prescribed by SBA.

**Equal Credit Opportunity Act (15 U.S.C. 1691)** -- The Federal Equal Credit Opportunity Act prohibits creditors from discriminating against credit applicants on the basis of race, color, religion, national origin, sex, marital status or age (provided the applicant has the capacity to enter into a binding contract); because all or part of the applicant's income derives from any public assistance program, or because the applicant has in good faith exercised any right under the Consumer Credit Protection Act.

**Executive Order 11738 -- Environmental Protection (38 F.R. 251621)** -- The Executive Order charges SBA with administering its loan programs in a manner that will result in effective enforcement of the Clean Air Act, the Federal Water Pollution Act and other environment protection legislation.

**Debt Collection Act of 1982, Deficit Reduction Act of 1984 (31 U.S.C. 3701 et seq. and other titles)** -- These laws require SBA to collect aggressively any loan payments which become delinquent. SBA must obtain your taxpayer identification number when you apply for a loan. If you receive a loan, and do not make payments as they come due, SBA may take one or more of the following actions: (1) report the status of your loan(s) to credit bureaus, (2) hire a collection agency to collect your loan, (3) offset your income tax refund or other amounts due to you from the Federal Government, (4) suspend or debar you or your company from doing business with the Federal Government, (5) refer your loan to the Department of Justice or other attorneys for litigation, or (6) foreclose on collateral or take other action permitted in the loan instruments.

**Immigration Reform and Control Act of 1986 (Pub. L. 99-603)** -- If you are an alien who was in this country illegally since before January 1, 1982, you may have been granted lawful temporary resident status by the United States Immigration and Naturalization Service pursuant to the Immigration Reform and Control Act of 1986. For five years from the date you are granted such status, you are not eligible for financial assistance from the SBA in the form of a loan guaranty under Section 7(a) of the Small Business Act unless you are disabled or a Cuban or Haitian entrant. When you sign this document, you are making the certification that the Immigration Reform and Control Act of 1986 does not apply to you, or if it does apply, more than five years have elapsed since you have been granted lawful temporary resident status pursuant to such 1986 legislation.

**Lead-Based Paint Poisoning Prevention Act (42 U.S.C. 4821 et seq.)**

Borrowers using SBA funds for the construction or rehabilitation of a residential structure are prohibited from using lead-based paint (as defined in SBA regulations) on all interior surfaces, whether accessible or not, and exterior surfaces, such as stairs, decks, porches, railings, windows and doors, which are readily accessible to children under 7 years of age. A "residential structure" is any home, apartment, hotel, motel, orphanage, boarding school, dormitory, day care center, extended care facility, college or other school housing, hospital, group practice or community facility and all other residential or institutional structures where persons reside.

**Executive Order 12549, Debarment and Suspension 2 CFR 2700**

1. The borrower or contractor certifies, by submission of its application for an SBA loan or bond guarantee, that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency.
2. Where the prospective lower tier participant is unable to certify to any of the statements in this certification, such prospective participants shall attach an explanation to the application.

*Para información en español, visite [www.consumerfinance.gov/learnmore](http://www.consumerfinance.gov/learnmore) o escribe a la Consumer Financial Protection Bureau, 1700 G Street N.W., Washington, D.C. 20552*

## **A Summary of Your Rights Under the Fair Credit Reporting Act**

The federal Fair Credit Reporting Act (FCRA) promotes the accuracy, fairness, and privacy of information in the files of consumer reporting agencies. There are many types of consumer reporting agencies, including credit bureaus and specialty agencies (such as agencies that sell information about check writing histories, medical records, and rental history records). Here is a summary of your major rights under the FCRA. **For more information, including information about additional rights, go to [www.consumerfinance.gov/learnmore](http://www.consumerfinance.gov/learnmore) or write to: Consumer Financial Protection Bureau, 1700 G Street N.W., Washington, D.C. 20552.**

- **You must be told if information in your file has been used against you.** Anyone who uses a credit report or another type of consumer report to deny your application for credit, insurance, or employment - or to take another adverse action against you - must tell you, and must give you the name, address and phone number of the agency that provided the information.

- **You have the right to know what is in your file.** You may request and obtain all the information about you in the files of a consumer reporting agency (your "file disclosure"). You will be required to provide proper identification, which may include your Social Security number. In many cases, the disclosure will be free. You are entitled to a free file disclosure if:

- A person has taken adverse action against you because of information in your credit report;
- You are the victim of identity theft and place a fraud alert in your file;
- Your file contains inaccurate information as a result of fraud;
- You are on public assistance;
- You are unemployed but expect to apply for employment within 60 days.

In addition, all consumers are entitled to one free disclosure every 12 months upon request from each nationwide credit bureau and from nationwide specialty consumer reporting agencies. See [www.consumerfinance.gov/learnmore](http://www.consumerfinance.gov/learnmore) for additional information.

- **You have the right to ask for a credit score.** Credit scores are numerical summaries of your credit-worthiness based on information from credit bureaus. You may request a credit score from consumer reporting agencies that create scores or distribute scores used in residential real property loans, but you will have to pay for it. In some mortgage transactions, you will receive credit score information for free from the mortgage lender.

- **You have the right to dispute incomplete or inaccurate information.** If you identify information in your file that is incomplete or inaccurate, and report it to the consumer reporting agency, the agency must investigate unless your dispute is frivolous. See [www.consumerfinance.gov/learnmore](http://www.consumerfinance.gov/learnmore) for an explanation of dispute procedures.

- **Consumer reporting agencies must correct or delete inaccurate, incomplete or unverifiable information.** Inaccurate, incomplete or unverifiable information must be removed or corrected, usually within 30 days. However, a consumer reporting agency may continue to report information it has verified as accurate.

- **Consumer reporting agencies may not report outdated negative information.** In most cases, a consumer reporting agency may not report negative information that is more than seven years old, or bankruptcies that are more than 10 years old.
- **Access to your file is limited.** A consumer reporting agency may provide information about you only to people with a valid need - usually to consider an application with a creditor, insurer, employer, landlord, or other business. The FCRA specifies those with a valid need for access.
- **You must give your consent for reports to be provided to employers.** A consumer reporting agency may not give out information about you to your employer, or a potential employer, without your written consent given to the employer. Written consent generally is not required in the trucking industry. For more information, go to [www.consumerfinance.gov/learnmore](http://www.consumerfinance.gov/learnmore).
- **You may limit "prescreened" offers of credit and insurance you get based on information in your credit report.** Unsolicited "prescreened" offers for credit and insurance must include a toll-free phone number you can call if you choose to remove your name and address from the lists these offers are based on. You may opt-out with the nationwide credit bureaus at 1-888-5-OPT-OUT (1-888-567-8688).
- **You may seek damages from violators.** If a consumer reporting agency, or, in some cases, a user of consumer reports or a furnisher of information to a consumer reporting agency violates the FCRA, you may be able to sue in state or federal court.
- **Identity theft victims and active duty military personnel have additional rights.** For more information, visit [www.consumerfinance.gov/learnmore](http://www.consumerfinance.gov/learnmore).

**States may enforce the FCRA, and many states have their own consumer reporting laws. In some cases, you may have more rights under state law. For more information, contact your state or local consumer protection agency or your state Attorney General.**

**For more information about your federal rights, contact:**

TYPE OF BUSINESS:	CONTACT:
1.a. Banks, savings associations, and credit unions with total assets of over \$10 billion and their affiliates.	a. Consumer Financial Protection Bureau 1700 G Street NW Washington, DC 20552
b. Such affiliates that are not banks, savings associations, or credit unions also should list in addition to the CFPB:	b. Federal Trade Commission: Consumer Response Center – FCRA Washington, D.C. 20580 (877) 382-4357
2. To the extent not included in item 1 above:	a. Office of the Comptroller of the Currency Customer Assistance Group 1301 McKinney Street, Suite 3450 Houston, TX 77010-9050
a. National banks, federal savings associations, and federal branches and federal agencies of foreign banks	



<p>b. State member banks, branches and agencies of foreign banks (other than federal branches, federal agencies, and insured state branches of foreign banks), commercial lending companies owned or controlled by foreign banks, and organizational operating under section 25 or 25A of the Federal Reserve Act</p> <p>c. Nonmember Insured banks, Insured State Branches of Foreign Banks, and insured state savings associations</p> <p>d. Federal Credit Unions</p>	<p>b. Federal Reserve Consumer Help Center P.O. Box 1200 Minneapolis, MN 55480</p> <p>c. FDIC Consumer Response Center 1100 Walnut Street, Box #11 Kansas City, MO 64106</p> <p>d. National Credit Union Administration Office of Consumer Protection (OCP) Division of Consumer Compliance and Outreach (DCCO) 1775 Duke Street Alexandria, VA 22314</p>
3. Air carriers	<p>Asst. General Counsel for Aviation Enforcement &amp; Proceedings Aviation Consumer Protection Division Department of Transportation 1200 New Jersey Avenue, SE Washington, DC 20590</p>
4. Creditors Subject to Surface Transportation Board	<p>Office of Proceedings, Surface Transportation Board Department of Transportation 395 E Street S.W. Washington, DC 20423</p>
5. Creditors Subject to Packers and Stockyards Act, 1921	<p>Nearest Packers and Stockyards Administration area supervisor</p>
6. Small Business Investment Companies	<p>Associate Deputy Administrator for Capital Access United States Small Business Administration 409 Third Street, SW, 8th Floor Washington, DC 20416</p>
7. Brokers and Dealers	<p>Securities and Exchange Commission 100 F St NE Washington, DC 20549</p>
8. Federal Land Banks, Federal Land Bank Associations, Federal Intermediate Credit Banks, and Production Credit Associations	<p>Farm Credit Administration 1501 Farm Credit Drive McLean, VA 22102-5090</p>
9. Retailers, Finance Companies, and All Other Creditors Not Listed Above	<p>FTC Regional Office for region in which the creditor operates or Federal Trade Commission: Consumer Response Center - FCRA Washington, DC 20580 (877) 382-4357</p>

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**Franchise Development – Recruitment - Onboarding**

# **ROS® Recruiter Manual**

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## Introduction

**W**elcome to the Recruitment Operating System® Recruiter Manual. While there are some traditional sales best practices included in the manual, these pages are written and designed specifically for a Franchise Recruiter. The purpose of this manual is to educate you on how to best serve your brand in your role as a Franchise Recruiter.

This manual will teach you:

- The role of a Recruiter
- The Psychology Behind The 8-Step Discovery Process
- How to Execute The 8-Step Discovery Process

Write what you most want to learn about being a Recruiter.

*Process is like  
an Accordion*



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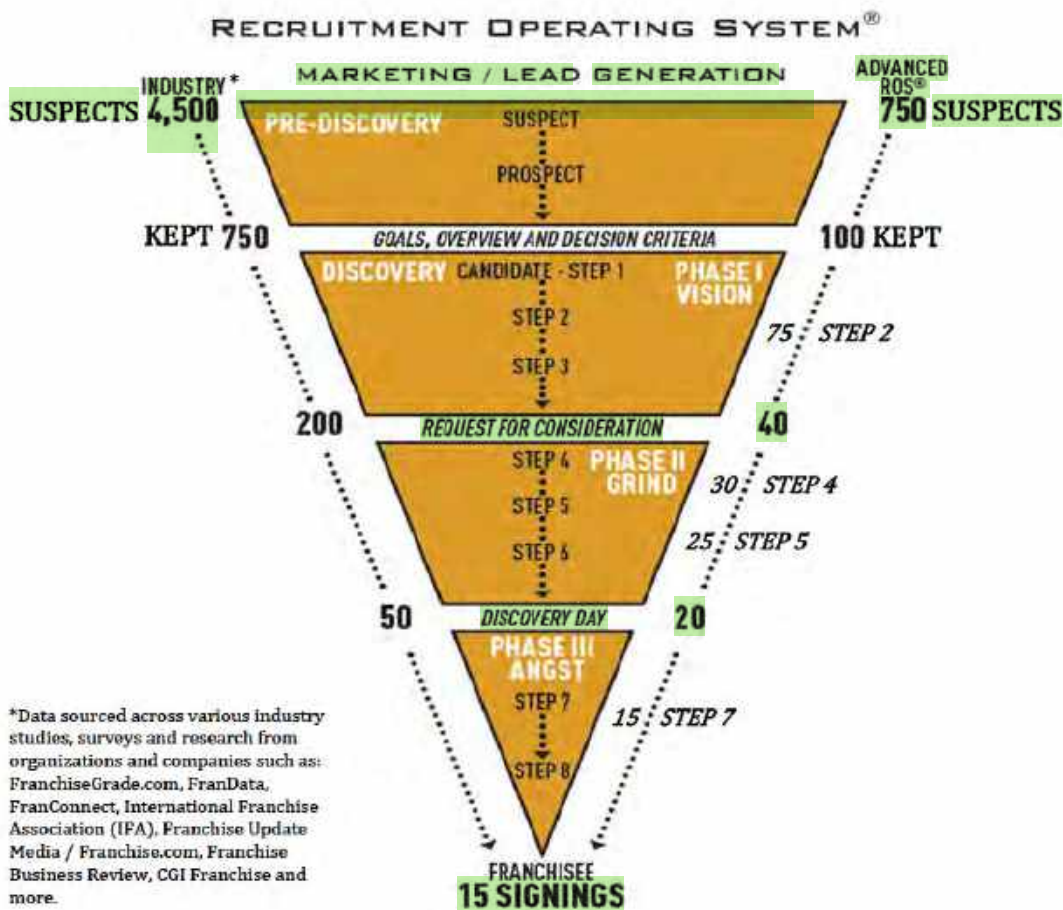
**Write what you think a Recruiter does.**

**What does moving to the next level look like? Winning?**

**T**he **Franchise Recruiter** is responsible for recruiting individuals that give the Brand the best chance to accomplish goals. The Recruiter plays a key role managing and directing candidates through the franchise recruitment process. The Recruiter should be a highly organized and goal-oriented individual who combines strong analytical and negotiation skills with solid customer-service abilities and leadership capabilities. In addition, he/she should be able to make sound decisions and exercise good judgment while consistently balancing multiple candidates and priorities in a fast-paced entrepreneurial environment. It is essential to have excellent verbal and written communication, interpersonal and active-listening skills, with the ability to quickly establish rapport and credibility to build solid business relationships. The Recruiter should be passionate about always increasing their own personal value to themselves and the Brand, while displaying an uncompromising level of self-honesty and integrity.



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**Important ratios / KPIs**

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**The 3 Phases of the Discovery Process**

After Pre-Discovery, The 8-Step Discovery Process begins. The 8 Steps can be broken up into three different phases.

**Phase I: "Vision"**

- In Phase I the Recruiter takes on the role of interviewer/coach for the candidate. The typical Phase I of a recruitment process includes an initial call, a brand review, and an application. More than 90% of success is about getting Phase I right. The better you do here, the stronger the results and ratios will be downstream. In this phase, candidates must get inspired about their goals, excited about what's possible, and able to see a new future for their life as a small business owner in your franchise system. That's why this phase is called the "Vision" phase.

- Steps 1, 2, and 3

**Phase II: "Grind"**

- In Phase II, the "Grind" phase, the Recruiter's role transitions into that of a facilitator for the candidate until funding is solved. At this point, the recruitment team members and candidates are working on funding, FDD, and all the necessary preparation before attending Discovery Day. Most candidates that drop out in Phase II have a weak experience in the "Vision" phase. Since they didn't see their future strongly enough with your franchise, they won't continue.

- Steps 4, 5, and 6

**Phase III: "Angst"**

- In Phase III, the candidate has travelled to your brand's home office, met the team members, and received an award of a franchise. Now, the final decision on their future is in their hands. It's called "Angst" to reflect the feeling of waiting in line for a wild and crazy roller coaster. We want to get on and go for it, but while waiting, we have our moments of doubt, concern, and fear, mixed in with our desire to enjoy the feelings and jubilation of the ride. This is the period between attending Discovery Day and signing a franchise agreement. In this phase, the Recruiter offers support and counsel until final signing.

- Steps 7 and 8

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## The Initial Conversation

*Review:*

*In Pre-Discovery, the candidate engaged with your brand. They spoke with an Appointment Setter who scheduled a phone call between you and the candidate. Prior to the call, you performed extensive research on the candidate.*

It is now time for that initial phone call between you and the candidate. In this section, you will learn how to:

- Evaluate a candidate
- Understand and fill the 5 Buckets
- Explain the 20/60/20 Rule and “set-up the listening” for Franchisee validation
- Use DISC philosophy



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**The Five Part Introduction. Total time 5-7 mins:**

**Part 1 Opening:** *Hi, this is \_\_\_ calling from [Franchise]. Is this still a good time to talk?*

Quick icebreaker (have something prepared; no more than two minutes)



**Part 2 Quick Overview of Discovery Process**—*did you get the email with the 8 steps of our Discovery Process? Were you able to review it? How do you feel about following a process like this?*

**Part 3 Purpose:** *The purpose of my call is to accomplish two things:*

1. *First, is to have an open and direct dialogue about who you are and what you are looking to accomplish.*
2. *Second, is to give you a better understanding of [Franchise] and how we do business.*

*This call will take no longer than 60 minutes. If we need more time, we'll simply schedule another call. Is that okay with you?*



**Part 4 Clearing the Air:** *Before we start, is there anything pressing that you would like to discuss upfront? Is there anything you would like to add to this agenda?*



**Part 5 Getting started:** *Great, let's start with what may seem like an odd question. Forgive me if this seems a little blunt. Why are we talking today? (Be quiet and listen. This puts you immediately into the NEED bucket, extracting "why" they are thinking of starting a business. Give them a few minutes here and then transition into Business Experience.)*



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**SECTION 11: Test Close**

**TEST CLOSE:**

*This is Step 1. Either of us making a decision on you as a Franchisee comes much, much later in the process, but most candidates can at least get a feel on whether they could maybe see themselves owning [a/an] [Franchise] franchise. Based on the brief overview I just presented, is this a business that you might see helping you to accomplish your goals we discussed?*

*Any other comments / questions / thoughts?*

*It sounds like you would be comfortable with moving to Step 2 of our Discovery Process...*

*Great! Let's get that scheduled.*

Agreed Action Items: 1,2,3...

**Important Skillsets and Behaviors:**

Ask test close

Agree to move to Step 2

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## SECTION 12: Closing the Call

### Step 2 Phone Call:

Date, time, phone, verify email to use. Focus will be on Brand Review and getting clarity on the Decision Criteria.

★ **CRITICALLY IMPORTANT:** Type notes recapping the phone call and get to candidate within the next 2 hours with list of action items and agreed upon call for Step 2.

### Tips:

When people are in this call, you are asking about their dreams and goals. Oftentimes, people have rarely or never had anybody ask these kinds of questions. There's an emotional component happening. They may get excited or inspired. These may be things they haven't ever thought about. They may forget what they are saying because you did such a good job connecting with them. They may get in the zone and forget what they said. When you recap the call in an email, there is a psychological anchoring. If you get someone to talk about things they are excited about and then send them an email recapping what they said, that does so much for the relationship. You become a trusted advisor. You earn credibility and respect. Seeing what was said documented takes the relationship to a new level. Not sending the recap (or not sending soon enough) is a significant mistake.

### Best Practices:

- Never "close the file" until after Step 3
- Only the candidate closes the file prior to completion of Step 3 by not doing action items, not showing up for calls, or removing themselves as a candidate directly.

Last CY or TTM	
Expenses / Step 1 Calls	\$
Initial Fee (Revenues) / Step 1 Calls	\$
Royalty (avg. year 1) / Step 1 Calls	\$

### Important Skillsets and Behaviors:

Schedule day / time      Agree on homework      Recap notes and e-mail

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## Brand Review

*Review:*

*In Step 1, you spoke to the candidate. You began gathering information to fill up the 5 Buckets. After the Step 1 call, you should have a better understanding of the candidate's eligibility. The candidate should have a better understanding of the franchise, as well as their own personal goals. If the candidate is interested in moving forward, the next step is to give the candidate a review of your Brand.*

In this section, you will learn how to successfully give a candidate an overview of the brand, including the strengths of the model, the unique challenges, the products and services that are offered, and the skillsets that successful Franchisees have or develop. **The Brand Review is a one-hour phone call you will have with the candidate.**

**In the Brand Review call, you will discuss with your candidate what tools your Brand uses to support new and mature Franchisees, such as:**

- Marketing
- Training
- Technology
- Coaching

**Other topics of discussion include:**

- Annual events held by franchisor
- Regional meetings
- Special conferences or summits

A successful brand presentation will deliver the most meaningful elements of each way the Franchisees are supported, starting with new Franchisees and how they are onboarded.

Value Proposition:

Franchisee:

Consumer:



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## Request For Consideration

*Review:*

*After completing Steps 1 and 2, The 5 Buckets are getting full. You have a feel for the candidate's eligibility and interest. The Brand Review got your candidate excited about the franchise and what it means for his/her individual goals. If your Step 2 call was successful, the candidate has now filled out the Request For Consideration (RFC) form and it's time to get crystal clear on the candidate to determine if the file stays open and they get to continue as a candidate.*

In this section, we'll learn:

- How to prepare for Step 3 call
- How to identify and read an RFC beyond the obvious (read between the lines of an RFC)
- How to successfully execute a Step 3 call
- How to advance to the next step
- What to do if a candidate has not filled out the RFC
- Whether to close file or keep the candidate in the process

***Preparing for The RFC Call***

You should have brought three RFCs from candidates you've been actively working with in the past 30 days.

What is the Objective of Step 3?

--



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***What if candidate hasn't completed RFC?***

You should be checking your CRM to know when the candidate has completed the RFC. At the end of the Step 2 call, you should have designated a date and time when the RFC would be completed and a date and time for the Step 3 call with the candidate about the completed RFC. If that date is growing closer and the candidate has not completed it, there are a few steps you should take.

- **Email the candidate.** Remind the candidate of your scheduled call and confirm if they will be able to complete the RFC by the agreed time. You will need at least 30 minutes to review the RFC. It is also possible your VP of Development or Team Leader may want to review the RFC to provide feedback. Make sure that the deadline you give your candidate to complete the RFC allows enough time for proper review before the Step 3 call.
- **Establish a mutual agreement for when candidate will complete RFC.**

**Note:**

Keep in mind, up to this point, the candidate has been primarily exploring your Brand and asking questions. Step 3 is the first time the candidate is sharing more personal information, such as assets, liabilities, and income. For these reasons, a portion of candidates will withdraw from the process at Step 3.

***After the Call***

**Action Items:**

- After the call, send an email to the candidate. Recap what was discussed, list any agreed upon action items, and schedule the time and date for the next call
- Complete the FDD form and send to Coordinator
- Update Broker (if applicable)

**Tip:** Send candidate a handwritten "Thank You" note. It helps with conversion.

***Moving into the Next Steps***

The first three Steps make up Phase I. In the first three Steps, you take on the role of teacher/interviewer/coach/listener for the candidate. In Steps 4, 5, and 6, your role transitions into that of a facilitator for Phase II. You will be facilitating between the candidate and how he/she gets funded. Review the CGI Triangle.

In the next section, we'll learn how to identify the amount of funding needed and about the funding channels.

**Phase II - Grind**

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## Funding Process and Territory Analysis

### *Review:*

*After completing Steps 1, 2, and 3, you have successfully filled The 5 Buckets. Congratulations. You are crystal clear and the candidate is now considered ready to move on to the next phase. It's time for Phase II... the "Grind" Phase.*

Up to this point, you have played the role of interviewer/coach for the candidate in Phase I of the process. With this step, your role transitions into that of a facilitator for Phase II. You will be facilitating between the candidate and the required parties on how the candidate gets funded.

Steps 1 through 3 have been a linear process. In Steps 4-6, the process becomes more ambiguous. All the things that need to happen may occur out of order from the way the Steps are laid out. For example, the actual funding may not be complete until close to or even after Step 8.

In this section, you will learn:

- What it means to complete Step 4
- How to facilitate the candidate between potential lenders/funding solutions
- How to get crystal clear on the number/dollar amount needed for their investment
- How to know when the funding path is clear
- The channels of funding

### **Determining Amount Needed to Fund Their New Business**



Step 4 is complete once the final dollar amount *needed to fund the investment is determined and the funding channel(s) are secured*. That amount is determined by:

- Initial Fees \$ \_\_\_\_\_
- Required Business Working Capital \$ \_\_\_\_\_
- candidate's required personal living expenses during the start-up of the franchise \$ \_\_\_\_\_

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**Exercise:**  
Discuss and list out key elements of the territory analysis.

**Completing Step 4**

Step 4 is complete when the amount needed to fund the investment is known and when it is clear how that amount will be funded.

Components of the amount needed:

1. Initial fees, Furniture, Fixtures, Equipment and other Start-up Costs
2. Business working capital
3. Personal living expenses (Typically 12 months)

This doesn't mean anything has been finalized, but it does mean that a strategy on how to fund the investment is in place and agreed upon.

**Red Flag:**  
*Watch out for candidates who say things like, "I'm not worried about the funding. My father has said he'll fund me when I find the business I want."*

In the next section, we'll learn how to walk the candidate through the Franchise Disclosure Document (FDD).



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## Franchise Disclosure Document (FDD)

*Review:*

*The candidate has completed Steps 1, 2, 3. Step 4 is in process. You're in Phase II... The "Grind" Phase. You are having weekly calls with the candidate to facilitate Steps 4-6. It's now time for the FDD.*

In this section, you will learn:

- How to Understand and Explain the Franchise Disclosure Document (FDD)
- How to adequately prepare the candidate before the call
- How to walk through the Franchise Disclosure Document with the candidate
- How to understand the 23 items in the FDD

Unlike Step 4, Step 5 is not ambiguous. Step 5 is a walk-through of the FDD with the candidate. The purpose of the call is to address any questions, concerns, or items the candidate may need more information on.

Step 5 is generally a process. After the initial call, the candidate often has follow up questions, which can be addressed via email or weekly scheduled calls.

The Step 5 call may have other participants, such as franchise brand team members, the candidate's attorney or the CFO for financials.

***Preparing the candidate for the FDD call***

Prior to the call, send the candidate the link for a pre-recorded webinar video. This tutorial will be tailored to your brand and give an overview of the FDD. It should be no more than 15 minutes long.



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## Discovery Day

*Review:*

*The candidate has come a long way. You both have invested lots of energy and effort to reach this point. You are continuing weekly calls with the candidate to facilitate Steps 4-6. Now it's time to prepare the candidate for Discovery Day.*

In this section, you will learn:

- How to prepare candidate for Discovery Day with a pre-call
- How to follow up with candidate with a post-Discovery Day call
- Role of Recruiter
- Role of Development Coordinator

Discovery Day typically occurs at Franchise HQ. The Recruiter often has little or no role to play during the actual Discovery Day event, but getting your candidate to attend Discovery Day is a formidable achievement. Candidates who make it to Discovery Day are 60-90% more likely to sign a franchise agreement.

What is the role of the Recruiter during Discovery Day?

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## Final Franchisee and Financial Validation

*Review:*

*The candidate has attended Discovery Day and has decided the franchise is a good fit. They signed and returned the award letter. You are now in Phase III... The "Angst" Phase, where you will take on the role of counselor and therapist.*

When the candidate has completed Discovery Day and decided the franchise is a good fit, it is time to answer any remaining uncertainties and fill any remaining gaps. That's what Step 7 is about. The weekly calls continue until the signing.

**Typical Post Discovery Day Action items for candidates:**

- Speak to Franchisees who can help with remaining questions
- Have a franchise attorney review agreement for understanding
- Local market analysis
- Final funding items

***Development Coordinator***

At this stage, it is essential to work closely with the Development Coordinator through Steps 7 and 8.

**Exercise:**

Write down examples of action items that will delay the process or cause hesitation in the candidate. How would you deal with these issues?

--

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**Typical Loose Ends:**

- Funding
- Timeline
- Franchise Agreement review
- Territory / Marketing Area
- Training Dates
- Payment of Initial Fees
- Legal document review
- Attorney review
- Travel for training plans
- Leaving employment
- Broker calls

**Notes:**

This image shows a blank sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

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## Franchise Agreement Signing

*Review:*

*The candidate has satisfactorily answered any uncertainties and filled any remaining gaps in the process. They are set to sign and move forward.*

All the "i's" have been dotted and "t's" have been crossed. You have successfully coached and educated your candidate on the brand. You have successfully facilitated between the candidate and funding sources. Together, you have come a long way.

All that is left is to sign the franchise agreement.

At this stage, you may have little to no involvement.

How are you involved in Step 8? Take notes.

--

Don't forget to congratulate the candidate on this monumental achievement in taking control of their future by starting their own business. It has been a long journey, but you have both crossed the finish line together. Congratulations.



**CHRISTIAN BROTHERS AUTOMOTIVE  
CORPORATION**

**FRANCHISE AGREEMENT**

CONFIDENTIAL

000465

MSJ-073

## TABLE OF CONTENTS

	Page
1. GRANT OF FRANCHISE AND LICENSE.....	2
1.01 Grant of Franchise .....	2
1.02 Grant of License .....	2
2. TERRITORY .....	3
2.01 Territorial Grant .....	3
2.02 Franchisor Restrictions.....	3
2.03 Franchisee Restrictions .....	3
2.04 Rights Reserved by Franchisor .....	3
3. TERM AND RENEWAL.....	4
3.01 Initial Term.....	4
3.02 Renewal Terms.....	4
3.03 Form and Manner of Renewal.....	5
3.04 Fees Upon Renewal.....	6
3.05 Conditions Precedent to Renewal .....	7
3.06 Notice of Expiration .....	7
3.07 Second Renewal Term .....	8
3.08 Third Renewal Term .....	8
4. PAYMENTS TO FRANCHISOR.....	8
4.01 Initial Franchise Fee .....	8
4.02 Marketing Fee .....	9
4.03 Training Fees and Administrative Fees.....	10
4.04 Application of Funds .....	11
4.05 Continuing Royalty .....	12
5. MARKS.....	13
5.01 Franchisee Has No Interest in Marks .....	13
5.02 Franchisor's Ownership of Marks.....	14
5.03 Use of Marks .....	14
5.04 Nonuse of Trade Name .....	14
5.05 White Page and Yellow Page Telephone Listing.....	14
5.06 Defense of Mark by Franchisor.....	15
5.07 Prosecution of Infringers .....	16
5.08 Discontinuance or Substitution of Marks.....	16
5.09 Use of Marks .....	17
5.10 Limited License Only; Rights Reserved .....	17
5.11 Online Use of Marks .....	17
5.12 Website Limitation.....	18
6. CONFIDENTIAL OPERATIONS MANUAL .....	19
6.01 Access to Confidential Operations Manual.....	19
6.02 Subject Matter of Confidential Operations Manual .....	19

Franchise Agreement (Ver 0420)

Franchisee: [franchisee]

Franchisor: Christian Brothers Automotive Corporation

Property: [location]

**TABLE OF CONTENTS**

(continued)

	<b>Page</b>
6.03 Business to Conform to Confidential Operations Manual .....	20
6.04 Confidential Operations Manual Is Property of Franchisor .....	20
6.05 Keeping Up-To-Date on Confidential Operations Manual .....	21
7. CONFIDENTIAL INFORMATION.....	21
7.01 Non-Disclosure of Confidential Information .....	21
8. ADVERTISING AND MARKETING .....	22
8.01 Advertising Standards .....	22
8.02 Administration of Franchisor's Marketing Program.....	23
8.03 Franchisor-Owned Store Participation .....	25
8.04 Submission of Proposed Local Advertisements, Identification and Promotional Materials .....	26
8.05 Local Advertising.....	26
8.06 Initial Advertising .....	26
8.07 White and Yellow Page Advertising.....	27
9. DUTIES OF FRANCHISOR .....	27
9.01 Confidential Operations Manual .....	27
9.02 Method of Operations.....	27
9.03 Training and Supervision .....	27
9.04 Bookkeeping.....	29
9.05 Pre-opening Assistance .....	30
9.06 Additional Assistance.....	30
9.07 Sources of Supply.....	31
9.08 Pricing .....	31
9.09 Unavoidable Delays .....	32
10. DUTIES OF FRANCHISEE .....	32
10.01 Payments to Franchisor .....	32
10.02 Purchases.....	33
10.03 Compliance With this Agreement, Laws, Rules and Regulations .....	33
10.04 Franchisee and Principal Operator Participation in and Responsibility for the Operation of the Franchised Business .....	34
10.05 Qualifications of Franchisee's Employees .....	35
10.06 Indemnification .....	35
10.07 Manner of Operation .....	38
10.08 Advertising.....	39
10.09 Hours of Operation.....	39
10.10 Equipment .....	39
10.11 Corporate or Other Entity Franchisee Records .....	39
10.12 Requirements Regarding, and Restrictions Relating to, Products and Services Sold by Franchisee.....	40
10.13 Inspection .....	41
10.14 Submission of Nonfinancial Reports.....	41
10.15 Insurance .....	41

*Franchise Agreement (Ver 0420)**Franchisee: [franchisee]**Franchisor: Christian Brothers Automotive Corporation**Property: [location]*

## TABLE OF CONTENTS

(continued)

	Page
10.16 Cooperation With Franchisor .....	42
10.17 Best Efforts .....	42
10.18 Continuing Training .....	42
10.19 Timely Payment of Amounts Due by Franchisee .....	44
10.20 Restriction On Transfer of Shares or other ownership interests of Franchisee .....	44
10.21 Opening of Franchised Business .....	44
10.22 Entering Into the Commercial Sub-Lease Agreement .....	44
10.23 Pre-Opening Termination by Franchisor .....	44
10.24 Successor Principal Operator .....	45
10.25 Successor Service Manager .....	45
10.26 Maintenance of Premises and Approval of Improvements .....	45
10.27 Public Notice .....	46
11. RECORDS, AUDITS AND REPORTING REQUIREMENTS .....	46
11.01 Financial Statements and Reports .....	46
11.02 Records .....	46
11.03 Audits .....	46
11.04 Online Access and Additional Information .....	47
12. RELATIONSHIP OF THE PARTIES .....	47
12.01 Independent Contractor .....	47
13. ASSIGNMENT, RIGHT OF FIRST REFUSAL AND AGREEMENTS OF FRANCHISEE	
48	
13.01 Assignment by Franchisor .....	48
13.02 Assignment by Franchisee .....	48
13.03 No Encumbrance .....	52
13.04 Corporate Franchisee .....	52
13.04 Limited Liability Company Franchisee .....	53
13.05 Death of Principal Operator .....	54
14. DEFAULT AND TERMINATION .....	55
14.01 Termination After Right to Cure .....	55
14.02 Termination Without Right to Cure .....	56
14.03 Cross Default .....	59
14.04 Notice Required by Law .....	59
15. FURTHER OBLIGATIONS AND RIGHTS OF THE PARTIES UPON TERMINATION	
OR EXPIRATION .....	60
15.01 Discontinuance of Franchisor's Marks .....	60
15.02 Execution of Documents .....	60
15.03 Franchisor's Rights Not Prejudiced .....	61
15.04 Franchisee's Cancellation of Names Incorporating Marks .....	61
15.05 Franchisee's Cancellation of Telephone Listings and Numbers .....	61
15.06 Return of Franchisor's Property .....	61
15.07 Payment of Sums Due .....	61

Franchise Agreement (Ver 0420)

Franchisee: [franchisee]

Franchisor: Christian Brothers Automotive Corporation

Property: [location]

iii

CONFIDENTIAL

000468

MSJ-076



**TABLE OF CONTENTS**

(continued)

	<b>Page</b>
15.08 Franchisor's Option to Purchase Franchisee's Business.....	62
15.09 Key Man Insurance .....	63
16. COVENANTS NOT TO COMPETE.....	64
16.01 In-Term and Post-Term Covenant Not To Compete.....	64
16.02 Procurement of Additional Agreements and Covenants .....	65
16.03 Enforcement of Covenants Not To Compete .....	65
17. WAIVER AND DELAY .....	67
17.01 Limited Effect of Any Waiver or Delay.....	67
18. INTEGRATION OF AGREEMENT .....	68
18.01 No Prior Representations .....	68
18.02 No Oral Amendments.....	68
19. NOTICES .....	69
19.01 Notice to Franchisor .....	69
19.02 Notice to Franchisee.....	70
20. MISCELLANEOUS.....	70
20.01 Construction and Interpretation.....	70
20.02 Severability.....	71
20.03 Lien on Franchisee's Property.....	71
21. COSTS OF ENFORCEMENT .....	72
21.01 Ability to Recover Litigation Costs .....	72
22. ACKNOWLEDGMENTS.....	72
22.01 Franchisee's Acknowledgments, Warranties and Representations.....	72
23. WAIVER OF CONSUMER RIGHTS .....	77
23.01 Waiver of Consumer Rights.....	77
24. DISPUTE RESOLUTION AGREEMENT .....	77
24.01 Dispute Resolution Agreement .....	77
25. SUBMISSION OF AGREEMENT .....	83
25.01 Submission of Agreement .....	83
26. COUNTERPARTS.....	83
26.01 Counterparts .....	83

**ADDENDA**

- A. Ratification of Franchise Agreement
- B. Spouse's Consent To Franchise Agreement

*Franchise Agreement (Ver 0420)**Franchisee: [franchisee]**Franchisor: Christian Brothers Automotive Corporation**Property: [location]*

iv

**CONFIDENTIAL**

000469

**MSJ-077**

**TABLE OF CONTENTS**

(continued)

**Page****EXHIBITS**

- A. Territory
- B. The Marks
- C. Description of Equipment
- D. Commercial Sub-Lease Agreement
- E. Store In Distress Program Agreement
- F. Franchisee Disclosure Acknowledgment Statement

*Franchise Agreement (Ver 0420)**Franchisee: [franchisee]**Franchisor: Christian Brothers Automotive Corporation**Property: [location]*

v

**CONFIDENTIAL**

000470

**MSJ-078**

**Receipt and Acknowledgement Letter Agreement (with financing provisions) and Promissory Note**

Christian Brothers Automotive Corporation  
 17725 Katy Freeway, Suite 200  
 Houston, Texas 77094  
 \_\_\_\_\_, 2019

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

Re: Acknowledgement and Receipt

Dear Mr. and Mrs. \_\_\_\_\_:

The purpose of this letter is to document the understanding between you and Christian Brothers Automotive Corporation ("CBAC") as of the date of this letter. You are in the process of becoming a franchisee of CBAC, and in connection with this process, you have requested that your franchise (the "Franchise") be in the \_\_\_\_\_ MSA (the "Location"). CBAC is in the process of purchasing Land or acquiring an Existing Business and is incurring expenses in connection with that purchase. "Land" means real property that is located in the general area of the Location. "Existing Business" means an operating CBAC franchise business in the general market of the Location. In order to proceed, CBAC has requested that you pay \$85,000 (the "Down Payment") of your initial franchise fee at this time, which Down Payment will be applied to the franchise fee described in the Franchise Disclosure Document unless there is a Termination Event as described below. To document these agreements, CBAC and you are affirming the following understanding and agreeing to the following terms:

1. You have informed CBAC, and CBAC acknowledges that you are unable to pay the full \$85,000 Down Payment upon execution of this letter. In lieu of paying the full Down Payment immediately, CBAC agrees to allow you to pay \$\_\_\_\_\_ upon execution of this letter (the "Initial Payment") and execution of a promissory note in the form attached as Exhibit "A" which will state the remaining \$\_\_\_\_\_ will be financed by CBAC over \_\_\_\_\_ months at a 10% annualized interest rate amortized over \_\_\_\_\_ months, with a balloon payment due at the end of the term. The Note will require you to pay CBAC \$\_\_\_\_\_ per month beginning on the first day of the first month after you sign the Note with the remaining balance of \$\_\_\_\_\_ (the "Balloon Payment") due and payable on or before \_\_\_\_\_, as shown on the amortization schedule attached to the Note. CBAC will sign this letter after receiving the Initial Payment and executed Note, and CBAC's signature will constitute its acknowledgement of the receipt of your Initial Payment as well as CBAC's agreement regarding the terms of the Note. Thirteen Thousand Five Hundred and No/100 Dollars (\$13,500.00) of the Initial Payment is non-refundable.
2. You acknowledge that CBAC may not be able to purchase the Land or acquire an Existing Business. CBAC agrees to notify you in writing if it determines, for any reason, that it will not purchase the Land or acquire an Existing Business. CBAC will then give you the option of either (a) choosing another one of the locations which CBAC has determined to establish

a franchise or acquire another existing CBAC franchise business, or (b) having the principal portion of the amount you have paid toward the Down Payment as of the date of the notice returned with CBAC retaining any interest paid on such amounts.

3. In the event a Termination Event occurs prior to CBAC executing a Contract for the Land or the Existing Business, then CBAC will deduct the \$13,500 non-refundable portion of the Down Payment and also deduct the reasonable costs that it has incurred in selecting the site for the Land, determining the viability of acquiring an Existing Business and preparing to enter into the franchise relationship with you, and return any remainder of the Down Payment to you, provided that such deductions will not exceed \$38,500. "Termination Event" means any of the following (i) you do not qualify for the necessary financing to open and operate your Franchise, (ii) you choose not to proceed with the decision to open the selected store, (iii) you choose not to proceed with the decision to acquire the Existing Business from CBAC, and/or (iv) you are unable to complete any of your other obligations that are conditions to your owning and operating a CBAC franchise. "Contract" means a contract for either (a) the acquisition of land in the general area of the Location, or (b) a contract for the acquisition of an existing business.
4. In the event a Termination Event occurs after CBAC has executed a Contract but prior to CBAC (a) submitting site plans to the appropriate authority for approval in connection with the purchase of the Land, or (b) performing due diligence in connection with the acquisition of an Existing Business, then CBAC will deduct \$38,500 from the \$85,000 Down Payment and return \$46,500 to you.
5. In the event a Termination Event occurs after CBAC has executed a Contract and either (a) has submitted site plans to the appropriate authority for approval in connection with the purchase of the Land, or (b) has performed due diligence in connection with the acquisition of an Existing Business, then CBAC will retain all of the \$85,000 Down Payment.
6. You acknowledge that you will pay the remaining amount of your Franchise Fee as provided in the Franchise Agreement to be entered into between you (or an entity formed and owned by you for the sole purpose of owning and operating the Franchise) and CBAC.

If you agree to the forgoing, please acknowledge your agreement by executing each counterpart of this letter agreement in the space provided below, retain one copy for your files, and return the other counterpart to the attention of the undersigned at your earliest convenience.

*[Signatures Appear on Following Page]*



FDD Exhibit J

CHRISTIAN BROTHERS AUTOMOTIVE CORPORATION

By: \_\_\_\_\_  
Don Carr, President

ACCEPTED, AGREED TO AND ACKNOWLEDGED  
AS OF \_\_\_\_\_, 2019

\_\_\_\_\_  
[name]

ACCEPTED, AGREED TO AND ACKNOWLEDGED  
AS OF \_\_\_\_\_, 2019

\_\_\_\_\_  
[name]

J-7

FDD-Christian Brothers Automotive-2020v5

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MSJ-081

000656

FDD Exhibit J

Exhibit “A”

See attached Promissory Note

J-8

FDD-Christian Brothers Automotive-2020v5

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MSJ-082

000657

## Promissory Note

**Name of Borrower:**

**Name of Lender:** Christian Brothers Automotive Corporation

1. For value received, Borrower promises to pay to Lender the amount of \$\_\_\_\_\_ on or before \_\_\_\_\_ *[date payment is due]* at 17725 Katy Freeway, Suite 200, Houston, Texas 77094, together with interest at the rate of 10% per year from the date this note was signed until the date it is paid in full.

2. Borrower agrees that this note will be paid in installments, which include principal and interest, of not less than \$\_\_\_\_\_ per month, due on the first day of each month, until the principal and interest are paid in full. The principal and interest of each payment are determined in accordance with the amortization schedule attached hereto as Schedule "1".

3. Borrower agrees to make one final payment for the entire balance owed on or before \_\_\_\_\_ *[date balloon payment is due]*. If only the minimum monthly payments are made, the final payment in the amount of \$\_\_\_\_\_ will be due on or before \_\_\_\_\_.

4. If any installment payment due under this note is not received by Lender within three (3) days of its due date, the entire amount of unpaid principal will become immediately due and payable at the option of Lender without prior notice to Borrower.

5. If Lender prevails in a lawsuit to collect on this note, Borrower agrees to pay Lender's attorney fees in an amount the court finds to be just and reasonable.

*The term Borrower refers to one or more borrowers. If there is more than one borrower, they agree to be jointly and severally liable. The term Lender refers to any person who legally holds this note, including a buyer in due course.*

BORROWER:

\_\_\_\_\_  
[name]

Date: \_\_\_\_\_

Address:

FDD Exhibit J

SCHEDULE 1

Amortization Schedule

J-10

FDD-Christian Brothers Automotive-2020v5

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MSJ-084

000659